



City of San Diego

**CARL DEMAIO**  
CITY COUNCILMEMBER-ELECT –DISTRICT 5

## MEMORANDUM

DATE: October 15, 2008

TO: Mayor and City Council

FROM: Councilmember-Elect Carl DeMaio *Carl DeMaio*

RE: Practicing What We Preach in City Budget Cuts

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As the Mayor lays out mid-year proposals to cut city spending to balance the budget, it is imperative that the City Council lead by example and cut its own budget. No city department should be exempt from making necessary reductions in spending.

Outlined below are budget cuts amounting to **\$2,759,100** for the remainder of this fiscal year—with annualized budgetary savings of **\$5,518,200**. I urge you to make these budget reductions at this critical point in our efforts to maintain a balanced budget.

### **City Council Offices (\$396,000 Reduction)**

Each City Council Office should reduce its budget by \$49,500 for the remainder of the year. This reflects a 10% reduction for the remaining six months of the fiscal year. Each Council Office should have the flexibility to make this reduction in a manner they see fit—provided that no more than \$10,000 of this amount comes from the non-personnel account of each Council Office.

In preparing my own office budget, I have been dismayed by the fringe benefit costs incurred for Council staff—who ostensibly are political staff. To facilitate more cost efficiency in Council staffing, the City Council should require that all new political staff hired after December 1, 2008 receive only a defined contribution pension plan featuring a flat 6% matching contribution rate. This reformed pension plan would also apply to newly elected city council members. For some offices, enacting this reform alone would achieve a substantial portion of the reduction planned for in this budget cut.

### **Council Administration (\$273,400 – 5 Position Reduction)**

The Council Administration budget should be reduced by 5 positions—eliminating one Committee Consultant and four council representative positions. In addition, the

reformed pension plan outlined above would apply to any Committee Consultants hired after December 1, 2008. By approving this reduction, fiscal year savings would amount to \$273,400—with annualized savings of \$546,800.

**Independent Budget Analyst (\$116,650 – 2 Position Reduction)**

Reversing the budget increase approved this year, the IBA office should be reduced by two budget analyst positions. Issue portfolios would be reassigned and greater emphasis would be placed on the IBA prioritizing issue briefings based on input from Committee Chairs and Council members. By approving this reduction, fiscal year savings would amount to \$116,650—with annualized savings of \$233,300.

**Ethics Commission (\$153,500 – 3 Position Reduction)**

Since its creation in 2002, the Ethics Commission has been the fastest growing city department. The new City Council should engage in a comprehensive review of the cost-benefit of the Ethics Commission to date—as well as explore alternatives for the investigation, education and enforcement of ethics and campaign finance laws. This comprehensive review should be docketed no later than March 1, 2009 at the Rules Committee.

In the meantime, it is necessary that this department share in the city-wide effort to close the current year budget deficit. To minimize disruption to the core functions of the department, the program manager responsibilities should be consolidated with those of the executive director, and the overhead positions of management analyst and executive secretary should be eliminated. By approving this reduction, fiscal year savings would amount to \$153,500—with annualized savings of \$307,000.

**City Attorney (\$1,819,550 – Position Reduction TBD)**

As a non-mayoral department, the City Attorney's office should also participate in mid-year spending reductions. To respect the prerogative of the City Attorney to determine how these cuts should be made, this memo does not lay out what positions would be reduced. However, the City Council should approve a mid-year reduction immediately and request a formal action plan be submitted by the City Attorney (or City Attorney-elect) no later than November 18 for review by the City Council.

In the next several weeks, the Mayor will be prodding each city department to find spending cuts. Some departments will resist. The City Council cannot ask city departments to find budgetary savings if it is unwilling to do so itself. Taking immediate action on these items would send a clear and important message to every city department that budget cuts may be painful, but are absolutely necessary given the serious financial challenges our city faces.